

# ANOTHER NAME FOR THE DEATH TAX: THEFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, a lot of controversy was generated recently when Deputy Treasury Secretary Lawrence Summers stated that anyone who wants relief from the inheritance tax, the death tax, is selfish. He later retracted that remark, but revealed a basic philosophy shared by many high officials in our Government. I am an original cosponsor of two bills dealing with the death tax.

The first introduced by my good friend, the gentleman from California, Mr. CHRIS COX, would totally repeal the death tax. The other sponsored by appropriations chairman, the gentleman from Louisiana Mr. BOB LIVINGSTON, would increase the inheritance tax, the death tax, exemption from \$600,000 to \$1.2 billion.

By the way, the budget agreement between congressional leaders and the President lifts the exemption to that level, but over a period of years. We should do it immediately. At least this is a step in the right direction.

I want to emphasize again that I am a deficit hawk. I have opposed some tax cut proposals because they were not accompanied by corresponding spending cuts. It would have made it much harder, if not impossible, to balance the budget in the near future.

However, I would point out that the Federal Government receives virtually no benefit from the death tax. In fact, it probably loses money. It sounds incredible, but it is true. According to Investors Business Daily, the death tax accounts for only about 1 percent of all Federal taxes collected. What is worse is that the IRS spends as much as three-fourths of that 1 percent to collect the tax.

When we add in lost businesses, lost jobs, and lost output, the death tax becomes a net loser in terms of Federal tax dollars. In other words, after all the grief it causes small business owners and farmers, the death tax ends up costing more, at least as much or more than it brings in.

We often hear from death tax supporters that repealing or reforming it would be a tax cut for the rich. It simply is not true. The very wealthy spend thousands of dollars on accountants and attorneys to find ways around the death tax, such as setting up trusts. But average people cannot afford such tax dodges, so they have to pay the death tax.

In a recent editorial the Seattle Times pointed out that when the tax was first enacted in 1916 it primarily affected the very wealthy. Quoting now from the editorial, "Times have changed. Today's farmers, ranchers, lumbermen, merchants, and small- and medium- and large-family business owners alike feel the crunch of estate taxes. The estate tax is out of date and

out of step with the Nation's proud tradition of supporting family-owned businesses."

Mr. Speaker, the death tax harms small businesses and threatens their very survival. According to the Small Business Survival Committee, 60 percent of family businesses fail to survive in the second generation, and 90 percent do not make it to the third generation. A leading cause of their demise: the death tax.

This also harms the Nation's economy. As the head of a family business grows older, there is little reason to expand his or her company. When a company goes out of business or is sold to a large corporation, people lose their jobs. A study and research on the economics of taxation indicates that if the death tax had been repealed in 1993, by the year 2000 the gross domestic product would be \$79 billion greater and 228,000 more people would be employed.

Mr. Speaker, another reason we need to reform or even repeal the death tax is that it is inherently unfair. The money a person earns during his or her lifetime is taxed over and over again in the form of income taxes, capital gains, taxes on investment, taxes on interest. When someone dies, is it fair for the government to take another 55 percent of a lifetime accomplishment? Absolutely not.

A constituent of mine from Oak Harbor, Washington recently wrote, and I quote:

People work and pay taxes all their living years to pass on to their children and grandchildren some assets: a house, a farm, a business. Upon death the government wants to tax the estate again, taking the lion's share. I call that theft.

When we take into consideration that the death tax hurts business, harms the economy, is unfair to many families, and that it does not really raise any net money to help reduce the deficit, there is only one conclusion that can be reached: There is no logical reason to continue the death tax.

## H.R. 3, THE JUVENILE CRIME CONTROL ACT, AND THE JUVENILE OFFENDER CONTROL AND PREVENTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. STUPAK] is recognized for one-half of the time remaining before midnight as a designee of the minority leader.

Mr. STUPAK. Mr. Speaker, tonight I am joined by many of my colleagues as we want to talk about H.R. 3, the so-called Juvenile Crime Control Act, put forth by the majority party.

Mr. Speaker, as co-chair with the gentlewoman from California, Ms. ZOE LOFGREN and the gentleman from Virginia, Mr. BOBBY SCOTT, for the last 3 months we have held hearings, we have held meetings to try to fashion a bill that could really treat juveniles with justice, with compassion, with punish-

ment, with treatment, with education, and a comprehensive plan. We have brought forth such a bill, and it will be the substitute tomorrow.

Mr. Speaker, before we talk about the substitute we are going to propose, let me just for a few moments reflect back a little bit on the debate we had here tonight. In the past 3 months that the Democratic Party has been working on our juvenile justice bill, we learned a couple of things.

We learned, number one, that most juvenile crime, contrary to what we heard here tonight, is not murders, it is not rape, it is not robbery. The most common crime is what we call MDOP, malicious destruction of property. It occurs between 3 p.m. and 8 p.m. That is what most of the juvenile crime in this country is.

We learned that in the Federal Government we have control over 197 juveniles. One hundred ninety-seven juveniles. Of that 197, 120 are Native Americans or are on reservations, and we have jurisdiction over them. So we are talking about 77 individuals that we as a Federal Government have control over.

The States, on the other hand, they incarcerate or have under their control up to 300,000 juveniles per year. What has the majority party recommended? That the Federal Government, in its infinite wisdom, basically take control of the juvenile justice system for the whole country. We base that knowledge upon 197 juveniles that we happen to have some control over in this year of 1997.

We heard so much about Tax Freedom Day a little bit ago, and a bloated Federal Government, and all the majority party are these great deficit hawks. Yet, they want to spend \$1.5 billion over the next 3 years to incarcerate juveniles, according to Washington standards, according to our standards. Whatever we pass in H.R. 3, that will be the standard.

Mr. Speaker, that is no way to deal with juvenile justice, it is no way to deal with juveniles in this country. We are here tonight. We spent 2 hours on the bill. We will have approximately 2 hours tomorrow; 4 hours on juvenile justice. We heard what a great problem it is throughout this country, and it is. Can the 105th Congress not give us more than 4 hours on juvenile justice? We have been working on a HUD bill, housing and urban development bill, for over 1 week. Yet, when it comes to crime and juveniles, we can only spend 4 hours.

Mr. Speaker, tomorrow I will be proud to introduce the Stupak-Stenholm-Lofgren-Scott-Delahunt-Mel Watt substitute. It is going to be our Juvenile Offender Control and Prevention act. It is a tough bill. It is a smart bill. It is a balanced bill. It is tough in the area of providing comprehensive treatment, education, and prevention for juvenile delinquency. We give the local communities, not the Federal Government but the local communities, the flexibility to decide what

they need to stop violence in their community. It is the local communities that must determine how to stop violence; not the State, not the Federal Government, but our local communities.

□ 2230

We in our 3 months of hearings got together with police officers, probation officers, judges, teachers, parents, and what is needed to fight this problem we have of juvenile delinquency in this country? They said, give us the flexibility to address our individual needs.

I come from northern Michigan. My largest town is maybe 20,000 people. I have a very large rural, sparsely populated area. Our problems are much more different than Boston or south central LA. And what have the experts said? We should give the local communities the flexibility to do what will work in their community. What will work in northern Michigan is greatly different from what is going to work in Boston or LA or Alabama.

Sixty percent of the 1.5 billion we use, the same money that the majority party is going to use, we are going to take about 60 percent of our money over the next 3 years; and it will be used for prevention, early intervention and treatment of juveniles. We are going to do that by strengthening the family. We are going to provide for safe havens for after school. Why? Because as I said earlier, most crime occurs between 3 and 8:00 p.m. and it is vandalism.

We have drug prevention, drug treatment and drug education. Each community must base their initiatives and it should be based upon research, proven research, cost-effective efforts, because we want to be smart with the taxpayers' money, smart in our approach as we prevent serious violent juvenile crime.

The McCollum bill, the majority bill, gives us zero money for prevention, zero money for early intervention, zero money for detention, zero money for prevention. Instead the majority bill wants to try 15-year-olds as adults and after they convict them, then they are going to tell you, you have to lock up that 15-year-old with adult prisoners. There is no option and there is also an option. There is also an option with the majority bill to even try juveniles as young as 13 years old, 7th graders and 8th graders as adults. That is their bill. Get tough, lock them up, put them away and do not worry about it. That is coming from the Federal Government who has no experience in this area.

Instead, the minority party, the Democratic substitute will have a smart, tough and balanced bill. We are going to be tough on juveniles in that right now underneath the Federal system, juveniles can only stay until 21 years old. We are going to extend that time for violent juvenile offenders. They are going to be incarcerated through age 26 in our bill. We are going

to expedite the time that a judge will only have 90 days, and it will be the judge who will make the decision. He will have 90 days to decide whether or not to transfer a juvenile from juvenile court to adult court; not the prosecutor, not the popular elected thing, because we are going to take politics out of juvenile crime.

We are going to let the judges decide where they are empowered to enforce the law, not the political speech. We are going to increase the penalty for those juveniles who are using a gun in a crime, something that has not been done before. We are going to increase that penalty. If they are going to use a gun in a crime, punishment will be swift and severe.

We are going to expand the use of records, juvenile records for law enforcement purposes. We will require mandatory restitution in juvenile offenses. And once a juvenile is determined delinquent, the court is only going to have 20 days to finally impose sanction and penalties and not drag it on.

And all of the States in our bill will benefit, all States including the District of Columbia can benefit because the money will go to local units of government based on tough, smart research, proven research based upon local community initiatives.

Mr. Speaker, that is not like the majority party. What do they want to do? We are going to mandate what we have to do, what States have to do, and if they do not do it, they get no money.

Mr. DELAHUNT. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Speaker, the gentleman has referenced several times that, if the States do not comply with the mandates that this bill provides, the mandates that many of us disagree with based on very sound public policy, because as indicated, we are hurt time and time again that these initiatives, these mandates simply do not work.

But what happens to that \$1.5 billion? For those States that make the decision that they want to chart their own course? I would ask the gentleman if he knows what happens to that \$1.5 billion? Is it then spread among the very few States that do comply?

Mr. STUPAK. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. DELAHUNT] on his inquiry. If we look at the report put forth by the gentleman from Florida [Mr. MCCOLLUM] and the Juvenile Crime Control Act of 1997 out of the Committee on the Judiciary, they lay out on page 78, despite the fact he claimed he had no knowledge of it tonight, but on page 78 it says, we propose this program for several reasons.

First, as written, it appears only 12 States, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Mississippi, Nebraska, New York, North Carolina, I know that is under some

dispute with the gentleman from North Carolina [Mr. WATT], Vermont and Wyoming, would possibly qualify for funding. The other 38 States and the District of Columbia do not qualify. It is 1.5 billion spread among 11 or 12 States.

Mr. DELAHUNT. Mr. Speaker, if the gentleman will continue to yield, I was stunned this afternoon to hear the primary sponsor of this bill could not even confirm that his own State of Florida could comply with the mandates of his proposal which would, coming from Washington, again tell the States that do have the experience how to handle violent juvenile crime. It just absolutely stunned me to hear that. I respect the gentleman. I know that he is a man of deep convictions. But I would think that this Congress, this body would not want to vote on such a significant piece of legislation until every Member knew exactly whether his or her State would be in compliance with the mandates that the bill puts forth. And to hear the primary sponsor acknowledge that he did not know himself whether the State of Florida would qualify I found incomprehensible.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, in following up on this point, because I think that the Democratic substitute took long months of deliberation to confront the issue of being strong both on preventing juvenile crime and as well addressing the question of violent juvenile crime.

Texas is considered a State that has addressed the question of violent juvenile crime, and it is not a State that is viewed as one that takes lightly the seriousness of juvenile crime. In fact, it is a State considered tough on crime. Texas, Far West, will not be eligible for these funds.

At the same time, they will tell my good friend from Boston that his program is not a valid approach; his prevention program, his method of now 2 years without one single homicide is not valid. I would simply say to the gentleman from Michigan that I will leave him with this question: We need to consider what we would like to happen to our own children in this instance. I am sorry that the deliberation and those who designed this bill, H.R. 3, did not think of that. For we can see in the large gap between locking them up and lack of prevention dollars, they did not give the consideration to how they would want their children to be thought of and handled.

Mr. STUPAK. Mr. Speaker, reclaiming my time, I think that is the question we should ask here, it is \$1.5 billion, only 12 States at best can enjoy that \$1.5 billion. We are spending that much money on a few juvenile delinquents in a select number of States. And what do we tell all of the rest of the children in this country? And we cannot provide health insurance. But yet we are going to spend \$1.5

billion over the next 3 years for 12 States to lock up some kids because the majority party feels they are going to get tough on it.

What has the National Conference of State Legislatures wrote to us today and said, this is ludicrous. Stop this. You are putting on unfunded mandates. You, the Federal Government, are telling us what to do and giving us very little money. And we all have to comply and you have no experience in this field. Washington is telling us how we have to do it. They have missed the whole point here. I really hope that our Members reject the majority bill tomorrow and accept the Democratic substitute.

Let me finish up with a few more words here before I yield to the gentleman from California, my good friend. Our bill, the Democratic bill that took us 3 months to put together and many hearings, we target violent kids. We crack down on juvenile gangs. And if you commit a crime with a gun and you are a juvenile, the punishment will be swift and severe.

I was a police officer. The gentleman from Florida [Mr. McCOLLUM] said tonight, we are sending a message; we are going to stop crime before it gets started because we are going to be tough on everyone. It does not work that way. I was on the street for 13 years. It does not work that way.

Mr. DELAHUNT. Mr. Speaker, I think it is so important to understand, and I have heard the Chair of the Subcommittee on Crime say again and again and again that we are sending a message. I think that he fails to understand that those violent juveniles that he wishes to take off the street, and I agree with him, are not going to be deterred. There is no such thing as deterrence when we are talking about that hard core juvenile. Incapacitation, yes, but if we are going to lock them up, let us not lock them up in an adult prison where they are going to receive the very best training in terms of violent crime. They are going to receive a Ph.D. in violent crime if we send them to adult institutions. I promise you that. That is my experience as a prosecutor in the Metropolitan Boston area for over 20 years.

Ms. LOFGREN. Mr. Speaker, will the gentleman yield?

Mr. STUPAK. I yield to the gentleman from California.

Ms. LOFGREN. Mr. Speaker, I think it is worth pointing out, as a member of the Committee on the Judiciary, I was distressed that this bill received just 12 hours, really, of discussion. And there were a lot of things that are unknown.

For example, we did know that only arguably 12 States would qualify. I must point out, California is not among those 12. But we did not specify who gets the excess funds. So it is possible that Florida gets California's money or not. This is a real issue because right now the money we are talking about, the \$1.5 billion, is in the violent crime trust fund.

Those funds are currently flowing to States and localities. Every State is getting some of that money and so it will be a real loss to cops and prosecutors who are currently getting funding if States do not qualify and we know some do not and some will never. So this is important.

I know you have a few closing remarks but this bill is flawed in so many ways that I hope to have an opportunity to go through some of them, because I think so many of our Members have been busy on budget or other, HUD or other items that they have not yet had a chance to really go through the bill line by line as we have on the Committee on the Judiciary and as the gentleman has as one of the co-chairs of our committee. I hope to go through a couple of other points when the gentleman finishes his presentation.

Mr. STUPAK. Reclaiming my time, Mr. Speaker, the gentleman from California [Mr. RIGGS] came down and he said he hoped to put on something with a bill later this year with prevention. I think we all know, we all have a couple terms here now, that tomorrow never comes in Congress. It is what we are doing today.

This juvenile prevention bill or juvenile control, Juvenile Justice Act, whatever they are calling it now, that is where it is today. It promises something tomorrow, and it will never come because there will be some new crisis we will jump to. But we are not going to arrest our way out of it.

The gentleman from California [Mr. RIGGS] was correct. He was a police officer for 8 years. He said the same thing. He said it is absolutely right. You cannot arrest everyone and you cannot lock them all up and expect to solve this problem. There has to be a combination here of prevention, treatment and early intervention and intense supervision and, yes, there are some that we will have to lock up. We should be there to assist.

Ms. LOFGREN. Mr. Speaker, if the gentleman will continue to yield, he is absolutely right.

We need to do all of the things. We need to do prevention, intervention, we need to incarcerate some kids and in some cases there are some very tough kids who need to be tried as adults in my opinion. But to say that the \$1.5 billion can go to those 12 States for incarceration because we are going to have a prevention bill coming, that prevention bill has \$70 million. So the \$70 million for prevention versus the \$1.5 billion for trying young people as adults, that is not a balanced program. That is an extreme program and one of the reasons why we should not approve H.R. 3 tomorrow.

□ 2245

Mr. STUPAK. Mr. Speaker, reclaiming my time, one of the real great spokespersons, articulate individual in this whole matter, has been the gentleman from North Carolina, Mr. WATT, who points out to us time and time

again that North Carolina has more than its share of prosecuting young people and has probably the most severe and toughest juvenile justice laws on the books, and it has not always worked, and I yield to the gentleman for his comments.

Mr. WATT of North Carolina. I thank the gentleman for yielding. I want to correct my colleagues on one point. They keep saying there are 12 States that qualify. I want to assure them that North Carolina was included in the list of States that, according to the report, qualified, but I have a letter from the State of North Carolina in my file—

Ms. LOFGREN. So we are down to 11, maybe?

Mr. WATT of North Carolina. We are down to definitely a maximum of 11.

And understand that there are four criteria that a State has to meet to get these funds. What we found out was that North Carolina, as aggressive as we are, as much as North Carolina supports the philosophy of the bill the gentleman from Florida professes to support, that we do not meet three out of the four requirements. We fail on three out of the four requirements.

We do not have open juvenile records; we do not allow the prosecutor, by himself, to decide whether to prosecute as an adult, because we think it is reasonable for a judge to make that determination; and we do not sanction parents who fail to supervise their children. We do not punish the parents for that.

Those are three of the four requirements and we fail on those three, so we do not get any of the money, even though we have some of the toughest juvenile laws in America.

Mr. DELAHUNT. Will the gentleman yield?

Mr. WATT of North Carolina. I would be happy to yield.

Mr. DELAHUNT. Mr. Speaker, I think that every Member of Congress, before he or she casts a vote, has an obligation to the people that he or she represents to check, as the gentleman from North Carolina did, with the Attorney General of their respective States, because it is my belief that the gentleman is correct. There are probably maybe one or two or maybe three States that could even file an application to secure funding from that \$1.5 billion pot. This just does not make any sense.

And those mandates, and they are mandates, are an attempt by a segment of this House to impose national standards in terms of juvenile justice, and they have, as has been stated and restated, no experience.

I wanted to pose the question to my friend and colleague on the Committee on the Judiciary, the former U.S. Attorney in Arkansas, Mr. HUTCHINSON, whether he ever tried a juvenile case as a United States attorney. I daresay that his answer would have been no, because there is no Federal system.

They do not know what they are talking about, and yet it is fascinating,

because I was reading the Orlando Sentinel of May 9, 1996, just about a year ago, and there was a statement there by the Chair of the Subcommittee on Crime, the primary sponsor of this bill, and he was referring to more than \$500 million for law enforcement block grants. He stated, and these are his words, "Local communities can now tailor programs to meet their particular needs instead of using Federal crime fighting dollars," and this is a quote, "for Washington-knows-best prevention initiatives. This recognizes that what works in Spokane may not work in Orlando and it encourages local innovation to fight crime."

So what the gentleman from Florida would suggest is that when it comes to prevention, we will not have mandates, I guess, but when it comes to intervention and to prosecution and to treatment, we better have mandates because we in Washington know best. I daresay that one of the few States, it appears, and he does not even know, the State of Florida probably complies with these mandates.

I wonder if we examined the statistics for juvenile violence in Florida, where it has been tested, whether it works. I am willing to challenge the gentleman from Florida to review the statistics on juvenile violence in Florida with the statistics on juvenile violence in Massachusetts.

Under the gentleman's bill, and I know what we have done there, and I know it worked and I know we are heading in the right direction, but under the McCollum proposal, we do not have access to expand our efforts and we will not qualify for that \$1.5 billion. That just does not make sense.

Mr. STUPAK. Mr. Speaker, I yield to the gentlewoman from California.

Ms. LOFGREN. Mr. Speaker, I think it is important, because as so many of our colleagues, as I said earlier, have not really had a chance to take a look at this bill, and the vote will be tomorrow, that we go through some of the flawed elements of H.R. 3, and they are serious.

As others have mentioned, there are currently, I think last year there were, I think, 197 juveniles in the Federal system. However, under the bill we are mandating, in the case of 14-year-olds, requiring prosecution of 14-year-olds as adults without any discretion on the part not only of judges but without any discretion on the part of prosecutors either. Further, the bill permits prosecution of 13-year-olds as adults in the Federal system.

Now, I think most of us know that even very young children can do truly awful things and that there are occasions, and opinion is divided, but I believe there are even very young children sometimes who need to be held to an adult accountability. But to automatically make that decision without doing a case-by-case review is not supported by the facts and will not make us safer.

There is another issue in the bill that I think many Members need to be

aware of, and it is a proposed massive expansion of the Federal role in juvenile delinquency and law enforcement.

Under the bill, and there will be an amendment tomorrow, there is a whole series of Federal offenses, including conspiracy to commit offenses. Included are virtually all drug crimes and drug trafficking crimes. Now, no one likes drug trafficking. No one approves of it. But when we include conspiracy to commit a drug trafficking crime, the truth is that we are talking about having Federal police having the ability to go into towns and cities throughout this country and prosecute and arrest 13-year-olds standing on the street corner, part of urban street gangs.

I trust our local police, I think, a whole lot more to do that. I think I trust our local DA and our local judges a whole lot more to do that local law enforcement job than the creation of a U.S. police force. I think that is something that needs attention on the part of Members.

Finally, I think we need to take a look at who, even at this late date—and this has been quickly done—who is on which side of these issues. We already know that the State legislatures oppose the bill. I just got letters in today from the United Methodist Church, the Presbyterian Church, the United Church of Christ, the Evangelical Lutheran Church, and the Churches of Christ all urging Members of this House to oppose H.R. 3. Why? They realize that the scheme outlined in the bill not only will not make our country safe, but it is inimical to our Christian faith. And I think all of us need to pay close attention to the guidance that the clergy is giving to us in this matter.

Finally, the gentleman from Florida, as chairman of the committee, did mention, and I think we need to review this, that there is some \$4 billion in funding for prevention anyway in the government. The YMCA, the Young Men's Christian Association, did an analysis of that assertion, and I am going to make it available to Members tomorrow morning in the mail, but I think it is worth pointing out that included in that \$4 billion are things that have nothing to do with prevention. And the YMCA concludes that the programs and the funding is not correct. It is misleading.

I know the gentleman did not intend to mislead, but I think it is important that the Y's analysis be made available to the public.

With that, I would simply say that our bill is tough on crime, it recognizes that young people do need prosecution, but it also understands if we only do that, it is saying we have to have more victims before we respond.

As Mark Klaas said, "Saying that we are building prisons to solve crime is like saying we are building cemeteries to solve the problem of the deceased."

Mr. STUPAK. Mr. Speaker, I thank the gentlewoman for all the work she

has done on this and look forward to the continued fight tomorrow, and with that I yield to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time and also for helping with this special order.

I think it is a very important issue because we fundamentally have a choice. We can do what works to reduce crime, or we can do what sounds good, makes maybe good politics but does not do anything about the crime rate. Unfortunately, we cannot do both.

We know what works. We have seen studies of Head Start, recreation, boys and girls clubs, Big Brothers, Big Sisters, a number of programs that work to reduce crime. These have been proven. They are cost effective. They keep kids out of trouble. They do not get in trouble in the first place, and, of course, that strategy has the added advantage that people do not have to be brutalized because there are no victims when we have prevented the crimes.

People have suggested that we are not tough or that we are choosing between punishment or prevention. They ignore the fact that in some communities we already have more of our young people in jail today than in college. Our incarceration rate in America is the largest in any country on Earth.

The average internationally of people being locked up is about 100 people per 100,000 population. Canada about 117, Mexico 97, Japan less than 50 per 100,000, the United States is already above 500, almost 600 people per 100,000. I have jurisdictions in my Congressional District that lock up about 1,500 people per 100,000. Fifty in Japan, 117 in Canada, 1,500 city of Richmond. So we cannot suggest that we are not cracking down on crime.

The fact is that the little money in this bill for prisons cannot possibly make any difference. This bill has a total national funding of \$500 million. Virginia's portion of that on a per capita basis will be around \$10 million.

Now, we are already in the middle of a prison expansion program where we are going to be spending, when it is all phased in, another billion dollars a year for new prisons. New prisons. Not all prisons, new prisons. With this bill, instead of \$1 billion it will be \$1.01 billion. Obviously, that cannot possibly make a difference.

Or that \$10 million can be used in initiatives that will help juveniles by increasing the number of juvenile probation officers, with better supervision or other initiatives that will actually make a significant reduction in recidivism.

□ 2300

We should always address our problems and not just come up with solutions that have nothing to do with the problem.

We have heard, for example, earlier today that the highest crime rate is for

those 17 to 19 years of age. One thing that strikes one right off the bat is that those 18 to 19 are not covered by the bill, they are treated as adults and are not even affected by revision in juvenile laws.

For those 17 years of age that commit serious offenses, they are going to be treated as adults. As a matter of fact, we treat so many juveniles as adults right now that more than half of those treated as adults are treated as adults for nonviolent offenses. We have gone all the way down the offenses where most of the children treated as adults are for nonviolent offenses. Our problem is that we do not treat enough juveniles as adults, we treat too many. The third is that we do nothing about those 14 to 16 and disturb their trajectory for those going into crime. If we do nothing to change that trajectory, 3 years from now when they are 17 to 19, we would have done nothing about the crime rate. If we expect the rate to be lower than it is today 3 years from now, we have got to focus on the 14- to 16-year-olds and even younger and prevention must be the focus in our juvenile crime rate.

We must also address the facts. The fact is that if we treat more juveniles as adults, the violent crime rate will go up. There are no exceptions in studies of that premise. That if we increase the number of juveniles treated as adults, the violent crime rate amongst juveniles will increase.

The Families First alternative will focus where the money can do some good. It will strengthen families and empower children to stay out of trouble. As I said, it is not a question of prevention or punishment. We are already punishing. There are things in this bill, like we know that treating more juveniles as adults will increase violent crime. They have things to publicize records of juveniles. If they are treated as adults, if it is a serious offense, their trials will be public as adults, their records will be public. There is no evidence that that public notoriety will do anything to reduce crime. In fact, we have had evidence that, in fact, some juveniles will create crimes in order to get the notoriety. We want to focus on things that will actually make a difference, and that is why I am supporting the Families First alternative.

We already punish children more severely than anywhere else on Earth. If we are going to do anything about reducing crime, we have got to focus the extra money on prevention and not on counterproductive soundbites that do not address the problem.

The gentlewoman from California [Ms. LOFGREN] mentioned the question of conspiracies and said if you find people on the street committing drug crimes, if all they have on a juvenile is a conspiracy, that means they did not find him doing anything, he was sitting up late at night where they agreed to commit a crime, when he woke up the next morning, he went on to school and

did not do anything. But he is part of the conspiracy. When the others go commit the crime, he can be found guilty of conspiracy, subject to mandatory minimums, and the way this bill is crafted, the judge would have no alternative but to sentence him with the mandatory minimums without any consideration to his prior record, to his role in the crime, to the seriousness of the crime, to his amenability to treatment, anything like that. He will be subject to the mandatory minimum, disrupt his education, and we know that he will be much more likely to commit crimes in the future because he comes out without the education. We need to support the Families First alternative because it addresses the problem. I am delighted to participate with the gentleman from Michigan in this special order to promote that alternative.

Mr. STUPAK. The gentleman makes an interesting point that in his prison construction of \$1 billion in new prison construction in Virginia, even if you receive your \$10 million if you ever met the Federal standards or the Federal mandates, remember, that is just \$10 million to help you build a prison. That is not what it costs for the guards and everything else that goes in. The smallest cost in prison is the construction. The most expensive, 80 percent, is for personnel, the cost to operate. We are leaving the States with that extra burden of now having to operate it. We will pay for the brick and mortar, but now you have to operate it.

Mr. SCOTT. If the gentleman will yield; if we are spending \$1 billion, plus \$10 million is \$1.01 billion, it will have zero effect on the crime rate. We need to put the money where it will actually make a difference.

Mr. WATT of North Carolina. If the gentleman will yield on that point, that gets me to another real concern, because we are building all these prisons. I think what ultimately ends up happening is what this bill allows to happen, which is, we will end up putting juveniles in jail with adults, which has been absolutely contrary to policies that we have been supporting.

In fact, all the evidence confirms that children who are housed with adults are five times more likely to be sexually assaulted, twice as likely to be beaten by staff, 50 percent more likely to be attacked with a weapon. In 1994, 45 children died while they were confined in State adult prisons or detention facilities, including 12 murders and 16 suicides.

I just do not want to receive any more letters like this one. I am not one that usually comes and makes policy by anecdote, but this one I could not resist, because it is from a father. He is describing to me as his Representative the plight of his son.

He said, "My 16-year-old was certified and sentenced to 8 years." That means he was certified as an adult. Sentenced to 8 years. This was his first offense. He was being raped, beaten for

money or sex too many times. This is in the adult facility. Before this he went to the warden asking for protective measures, only to be laughed at. Finally you get to the bottom line here. His ultimate decision was suicide.

So this kid gets convicted, sentenced as an adult, with adults, sexually abused, and ends up committing suicide. That is just not something that we want to have happen based on our policies.

Mr. DELAHUNT. If the gentleman will yield, what I find interesting is that the gentleman from Florida has this unfounded belief and confidence that if the juvenile is incarcerated in the adult system, that when he leaves the adult system he will come back into the community and be a positive, contributing member of his neighborhood, his community, and his State. The reality is that that has simply been proven time and time and time again to be false.

If we are going to have an opportunity to chart and influence a different course for the juvenile offender, our only hope is a strengthened juvenile justice system. That is what we should be about. There are portions of the bill which I think everybody on this side could support because it goes to fund programs, and this is my reading, within the juvenile justice system that could improve it. But why these mandates that would deny States access to the funding?

What the gentleman is trying to do in this particular area is to nationalize what has historically been reserved to the States, and that is the juvenile justice system. What I find interesting is that there are some areas that he appears to understand that the States can do some positive initiatives and that can genuinely be a laboratory, if you will, for experiments that may or may not work. But he has not provided any evidence whatsoever other than just simply standing up and saying, "We're going to send a message."

These young men, they are not going to read the CONGRESSIONAL RECORD tomorrow. They are not going to examine the statute. They are not going to be deterred. They think and act and respond differently. They are not going to be deterred.

Mr. STUPAK. I yield to the gentleman from Virginia.

Mr. SCOTT. Mr. Speaker, I think this special order points out how we are not focused on the problem. We need to focus on the problem of juvenile crime. The bill that we considered earlier today and will be considering again tomorrow misses the point. It spends all of its money after the fact dealing with juveniles, treating more juveniles as adults when we know that that does not work. We know that drug rehabilitation programs cost about 5 percent of sending somebody to jail, reduces recidivism 80 percent, so it is cheaper and more effective. Those are the kinds of effective programs that we should be

focused on. I am delighted to participate with the gentleman from Michigan, the gentleman from Massachusetts and the others that were here so we can show that some of us are actually trying to reduce crime. Although it may not be as politically popular, we are focused on the issue. I am delighted to work with the gentleman on this. We need to get away from the soundbites and back on the point. The Families First agenda does that.

Mr. STUPAK. I thank the gentleman from Virginia [Mr. SCOTT] for all of his work and being the cochair of the Democratic Task Force on Crime. I will continue to work throughout the rest of the 105th Congress with the gentleman and with the gentleman from Massachusetts [Mr. DELAHUNT], a new Member from Boston who has been of great help to us.

In summation, the Families First juvenile justice bill that we will be presenting tomorrow morning at approximately 10:30 as a substitute to the McCollum bill, really it indicates that we need a balanced approach to the problem of juvenile crime, an approach that would include enforcement, intervention, prevention, and, of course, detention for those violent individuals who have to be detained. It would be based upon smart, cost-effective, community-based initiatives, proven initiatives through research as we have seen in Boston, in Minnesota, and other places around this Nation when we have let local communities determine what is best for them in their communities to deal with their problem of juvenile crime.

#### BIPARTISAN BUDGET AGREEMENT

The SPEAKER pro tempore [Mr. GILCHREST]. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia [Mr. KINGSTON] is recognized for the remaining time before midnight as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to say to my friend from Michigan that he still will see me in the gym bright and early in the morning, and I hope I will see both of the gentlemen because they have been a little sluggish lately.

Mr. Speaker, I have with me the gentleman from New Jersey [Mr. PAPPAS] and the gentleman from Pennsylvania [Mr. FOX]. We wanted to talk about the budget agreement that took place on May 2, last Friday. We think it is very important, very, very significant. Unlike other budget agreements, this agreement was hammered out on a bipartisan basis, and instead of having the promises now and the spending reductions later, it has the promises now and the spending reductions now.

The bill basically does five things which I think are truly significant. First, it balances the budget by 2002. Second, it provides tax relief for middle-class families now, not 5 years from now, not in 2002, but it does it now, in recognition that middle-class families

need a tax cut and that tax cuts can, in fact, promote growth, which is one of the easiest ways to reduce the deficit. Third, this bill addresses the Medicare problems and solves Medicare's immediate concerns for the next 10 years. Fourth, it has major entitlement reform which, as the Speaker knows, is about 51 percent of our entire annual expenditures.

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Then No. 5, it includes funding for many, many of our important domestic programs such as transportation, housing, and education.

I think if you look at this budget, Mr. Speaker, it is certainly not perfect, but it is a very significant step in the right direction. I believe that we have a great opportunity, an opportunity which is at hand in this Congress to get something done with it.

Mr. Speaker, with those introductory remarks, let me yield to the gentleman from New Jersey [Mr. PAPPAS] who is a freshman and came here with the idealism that all of us come here and, I think, most of us never lose, but Mr. PAPPAS is from the private sector. He is a businessman, he is a family man; he knows the importance of balancing your budget and what it means to American middle-class families.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman from Georgia for yielding. As he said, I come from the private sector in New Jersey, and in New Jersey one of the things that is unique is the State government is required to have a balanced budget, as are the 21 county governments, as are the 567 municipal governments, as are the 610 or 611 school districts, and as are each of the businesses and families within our great State.

While having come from the private sector, I also served as a county government official for almost 13 years and was president of our State Association of Counties, and for us that was something that was commonplace, having to adopt a budget each year, and balance it and live within our means, live within the means of the property taxpayers that would pay the bill, and the programs that we would initiate, if they were voluntary, were programs that we felt our taxpayers could support both through their financial support as well as programs that we felt that they felt were within the scope of our obligation to our citizenry.

And I am very excited, too, with you and so many of us here on both sides of the aisle to see a plan that will bring us to a balanced budget.

You know, for those of us that are football players, the last time that the New York Jets won their last Super Bowl was the same time that the Federal Government last balanced its budget, and for any of you here or any of you out there that may be watching us that may be Jets fans, you will remember that that was 1969.

Mr. KINGSTON. Joe Willie Namath.

Mr. PAPPAS. That is right, and that is an awful long time.

Mr. KINGSTON. Mr. FOX.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate my colleague taking this time to address very important issues to our colleagues about balancing the budget and adopting a bipartisan budget which will help American families and to make sure that those who are in the world of work will get a break.

The balanced budget we all have been seeking, Alan Greenspan says if we finally adopt it here, we are going to make sure we reduce our costs for mortgages, we will reduce the cost of the interest for car payments and also the interest of cost for college loans.

This legislation, the balanced budget, also calls for the CPI to be in accordance with the Bureau of Labor Statistics so our seniors will be protected by still having their COLA's and for pensions and for Social Security.

It also calls for the kind of tax relief American families need. We are talking about capital gains reduction for individuals and businesses.

Last time we had significant reductions of capital gains was the Reagan administration and the Kennedy administration, and in both cases we saw an increase in savings and investment and growth, and the \$500-per-child tax credit, that would be a great assistance to American families.

So I am very much buoyed up by the fact that this budget looks like it is a step in the right direction, and I believe that because we are working on both sides of the aisle to get it achieved. I think this is certainly something that is a milestone that we have not had, as our colleague from New Jersey [Mr. PAPPAS] said, not since I graduated college.

Mr. KINGSTON. I did not know you were that old. I was just in junior high at the time.

Mr. Speaker, we have been joined by the gentleman, the only gentleman on the floor who represents a district outside of the eastern time zone, and so his folks are probably just finishing up dinner out in Arizona. But we have with us the gentleman from Arizona [Mr. HAYWORTH] who the gentleman from New Jersey [Mr. PAPPAS] may know is a former football player himself and a sports newscaster.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia, and I am pleased to join with my colleagues in New Jersey and Pennsylvania.

Mr. Speaker, my colleague from Georgia is correct because in the great State of Arizona it is only about 8:20 in the evening, and so folks are getting home from work, and they have had a chance to sit down and read the newspaper and watch television news and visit with their families, maybe get the young ones to bed, and now they turn their attention to matters that affect their lives. And indeed, Mr. Speaker and colleagues, as I traveled around the Sixth District of Arizona this past weekend, holding town halls in the Globe-Miami area, the Cobra Valley,